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## **Conflict Of Interests Between Government and Private Sector in Indonesia Forest Fire**

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### **Abstract**

*Forest fires in Indonesia have taken a serious attention at both national and international forums. The paper argued that the inability of government to solve the on-going issue of forest fires is due to a conflict of interests between government and private sectors. For example, certain laws and regulations from central government to local government seem to be vague and contradictive to one another. In addition to vague laws, the way these laws and policies are implemented at the federal and local levels also indicate a clear divergent of policy directions. To make matters worst, private organizations that collaborate with government agencies locally or nationally to combat forest fires have their own interests to pursue. One way in which private plantation owners commonly do to reduce cost of planting new palm oil trees is through slash and burned. As a result, a combination of unclear and inconsistent policy directions along with relentless pursuit of private interests reveals no clear solution to the ongoing crisis of forest fires. Despite tough sanctions and penalties that can be imposed on the guilty private plantation owners, the enforcement of those sanctions rarely takes place. Thus, rooting out forest fires seems to go no where as long as government policies are inconsistent and private interests continue to be pursued without regard to environmental and social impacts.*

*Keyword: Forest Fire, Government Policies, Private Interest.*

### **INTRODUCTION**

Utilization of natural resources has been clearly stated in the Constitution of the Republic of Indonesia Year 1945 (UUD 1945) on article 33 paragraph (3), which states “Earth, water and natural riches contained there in controlled by the State and used for great prosperity of the people”. This constitutional mandate allows the state to manage the resources for the prosperity of citizens. However, management of these resources must be followed by actions of conservation and rehabilitation using environmentally friendly technology that will ultimately minimize the negative impacts that would adversely affect the public directly and damage the environment.

Indonesia's vast forest conditions are ideal to improve the welfare of society by exploiting the potential of forests effectively and efficiently. Below is the the total areas of forests based on provinces.

Table 1

*Forest Area in Indonesia by Province (in hectares)*

Province	Forests in m2	Province	Forest in m2
1	2	3	4
Aceh	3.599.288,68	Lampung	1.004.735,00
Bali	130.686,01	Maluku	3.923.559,96
Bangka Belitung	654.562,00	Maluku Utara	2.515.220,00
Banten	253.254,00	Nusa Tenggara Barat	1.046.959,00
Bengkulu	924.631,00	Nusa Tenggara Timur	1.808.990,00
DKI Jakarta	108.475,45	Papua	30.387.499,00
Gorontalo	824.668,00	Papua Barat	10.312.521,34
Jambi	2.107.779,00	Riau	7.121.344,00
Jawa Barat	816.603,00	Sulawesi Barat	1.107.058,00
Jawa Tengah	757.250,00	Sulawesi Selatan	2.725.796,00
Jawa Timur	1.361.146,00	Sulawesi Tengah	4.304.959,00
Kalimantan Barat	8.355.597,37	Sulawesi Tenggara	3.830.579,00
Kalimantan Selatan	1.779.982,00	Sulawesi Utara	765.061,00
Kalimantan Tengah	12.719.707,00	Sumatera Barat	2.380.058,00
Kalimantan Timur & Kalimantan Utara	13.952.513,00	Sumatera Selatan	3.482.667,65
		Sumatera Utara	3.742.120,00
Kepulauan Riau	0	Yogyakarta	16.819,52
<b>Total</b>			<b>124.022.848,67</b>

Source: Badan Pusat Statistik (BPS)

Based on Table 1 above, it appears that Papua has the most extensive forest area with more than 30 million hectares while Riau Islands have no forest at all. It can be seen that the island of Sumatra and Kalimantan (Borneo) are also spacious with forest which is about 63 million hectares. Sumatra and Kalimantan area are also the second rich provinces in forests natural resources. Therefore, the development of industrialization in the form of mining companies is also widely available on the island of Sumatra

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and Borneo. The vast forests in Kalimantan and Sumatra can be the main attraction for those who want to exploit the potential of forests as a way to boost the state's economy.

Forest management has generated high economic value through conversion of forest and peatland utilization. However, if the process is done irresponsibly, then the state would stand to lose money while at the same time affect the balance of ecology caused by environmental degradation (Tacconi, 2003). For example, private sectors have radically sacrificed forests for new land industrization by burning them. It is a lot cheaper to develop the land using slash and burned method. Adinugroho (2005) argues that majority of forest fires are caused by human activity such as land conversion, burning of vegetation, exploitation of natural resources, and utilization of peatland.

Data regarding forest fires shows that provinces that have extensive forest areas such as Riau, South Sumatra and Central Kalimantan are areas with the biggest forest fires. The comprehensive data on forest and land fires in Indonesia since the year 2010 to 2015 are as follows:

Table 2

*Size recapitulation Forest Fires by Province in Indonesia Years 2010-2015 (in hectares)*

Province	2010	2011	2012	2013	2014	2015
1	2	3	4	5	6	7
Aceh	500	0	1300	0	155.66	0
Bali	1010	0	250	605	30	0
Bangka Belitung	0	0	0	0	0	0
Banten	0	0	0	0	2.	0
Bengkulu	0	0.5	0	0	5.25	0
DKI Jakarta	0	0	0	0	0	0
Gorontalo	0	0	0	0	0	0
Jambi	2.5	89	11.25	199.1	3470.61	2217
Jawa Barat	0	1278.55	1945.5	252.8	552.69	1029.7
Jawa Tengah	0	712.24	454	31.2	159.76	424.73
Jawa Timur	204.9	48.35	2960.05	1352.14	4793.32	553.3
Kalimantan Barat	0	0	577.4	22.7	3556.1	995.32
Kalimantan Selatan	0	0	60.5	417.5	341	185.7
Kalimantan Tengah	0	22.00	55.15	3.10	4022.85	1220.40

(continued)

<b>Province</b> <b>1</b>	<b>2010</b> <b>2</b>	<b>2011</b> <b>3</b>	<b>2012</b> <b>4</b>	<b>2013</b> <b>5</b>	<b>2014</b> <b>6</b>	<b>2015</b> <b>7</b>
Kalimantan Timur	0	148.80	51.50	0,00	325.19	109.00
Kalimantan Utara	0	0	0	0	0	0
Kepulauan Riau	0	0	0	0	0	0
Lampung	106	31	0	0	22.8	10
Maluku	0	0	0	0	179.83	0
Maluku Utara	10	0	0	0	6.,50	0
Nusa Tenggara Barat	2	0	0	12	3977.55	0
Nusa Tenggara Timur	95	0	553.2	649.9	980.87	3.05
Papua	39	0	0	0	3000	177.4
Papua Barat	1.12	0	0	0	0	0
Riau	26.00	74.50	1060	1077.50	6301.10	2643
Sulawesi Barat	0	0	0	0	0	0
Sulawesi Selatan	28.00	31.75	45.30	40.50	618.58	55.60
Sulawesi Tengah	0	0	30.83	1.00	70.73	0
Sulawesi Tenggara	16	85.90	346.10	13.00	2410.86	284.31
Sulawesi Utara	0	0	1.80	0.25	236.06	0
Sumatera Barat	56	0	3.50	0	120.50	0.25
Sumatera Selatan	0	84.50	0	484.15	8504.86	276.57
Sumatera Utara	80.00	5.00	1181.00	295.40	3219.90	146.00
Yogyakarta	2818.5	0	6.45	6	0.27	0

Source: Kementerian Kehutanan dan Lingkungan Hidup

Based on table 1.2 above, it appears that some provinces had not experienced forest fires from 2010 to 2015, such as Jakarta, Riau Islands, Bangka Belitung and Gorontalo. However, Sumatra and Kalimantan become prone to forest fires during the past three years. All mass media, both electronic and printed annually proclaim the haze as a result of forest and land fires that hit several regions in Indonesia such as South Sumatra, Riau, North Sumatra, Central Kalimantan and West Kalimantan.

Losses due to forest fires and land (karhutla) in Riau in 2013 according to the World Bank's assessment reached Rp. 20 trillion (cnnindonesia.com). Losses this year could far exceed that number, if taking into account the fires in various other areas. Riau Tribune Tuesday, October 13, 2015 edition accessed on October 18, 2015 mentions that the smog that blanketed Riau Province is already at a level very unhealthy, an indication that the forest

burning is very detrimental to the public on the health aspects. Similar to previous news, a forest fire is also the focus of one of the electronic media reports accessed on October 18, 2015. In addition to extreme heat, forest fires is also due to the intervention of several companies and smallholders who want to open land such as slash and burned activity.

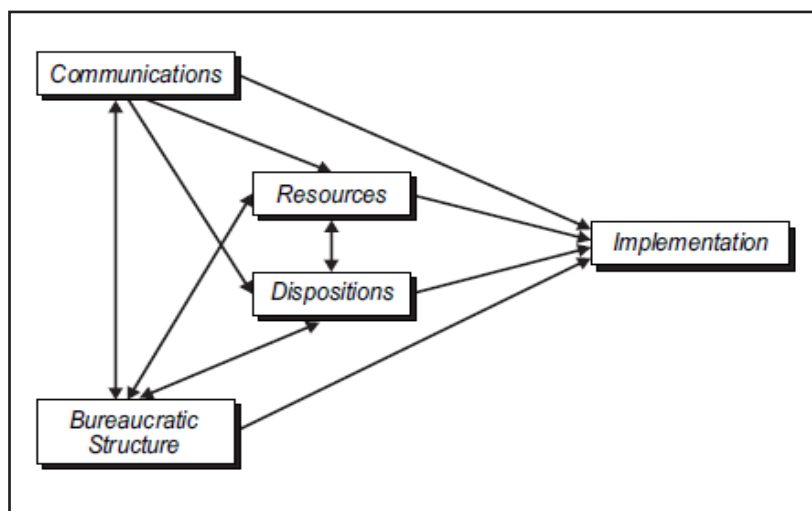
## **THEORITICAL DISCUSSION ON GOVERNMENT POLICY ON FOREST FIRE**

Muchlis (2002) states that government policies should always strive to deliver highest benefits to the public. For this to happen, community also needs to play its role by taking part in policy decisions that reflect their interests while at the same ensure that government does not deviate from its original goals. However, sometimes good policies do not necessarily entail greater benefits when implementation of those policies is poor. As such, policy implementation is crucial if government is to ensure that the public will reap the benefits of its policies. This is consistent with George Edward III (1980) who said that the successful implementation of public policy is influenced by several factors such as communication. The first prerequisite in the implementation of effective policies is that implementers must know what to do. Policy decisions and orders must be forwarded to the appropriate person and communicated clearly and accurately. So Edward III discusses three important things in communications policy that is transmission, clarity and consistency. For example, in regards to transmission, before one can apply the decision, one must be ready and understand the consequences of that the decisions. Second, clarity of communication must also be clear. Third, implementation of a policy should be consistent and clear.

The second requirement for a good policy implementation is resources. Although orders have been communicated clearly, but if the executive does not have enough resources, the implementation of the policy will not be effective. Resources include staff, authorities and facilities. The third requirement is disposition. Good attitude of policy implementor signifies an endorsement that encourages them to fulfill the obligations as desired by policy makers. Finally, structure of bureaucracy helps policy implementers especially if it is clear and based on standard operating procedures (SOP) where the room for error is very minimal. The diagram below depicts the framework of policy implementation as proposed by Edward.

Figure 1

*Policy Implementation Framework (Edward, 1980)*



## FOREST FIRES

Forest is an ecosystem unity in the form of land containing natural resources dominated by trees in their natural environment. In the context of fires, forest becomes very flammable when the environment or one of the ecosystems in the forest begins to burn. Some human activities exploiting forest resources and land becomes a major factor of forest burned. Government policies to protect forest resources and land from the threat of fire seem not to be very successful.

Theoretically, controlling forest fires is in the category of disaster management and consists of four (4) major phases. It starts with a prevention of fire. Here, any evidence that fire might take place will have to be controlled immediately. Secondly, preparedness can be done with early detection which seeks to know as early as possible the occurrence of forest fires and land so that control measures can be taken before the fire spread. Carter (2008) said that preparedness can be done by formulating and maintaining a valid and updated counter disaster; providing warning system; educating the public; and providing training programs for relevant authority.

Previous empirical study on forest fires both locally, regionally and regions tend to look at the impact of forest fires on people in general.

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However, there is scant literature that examines to what extent government policies are effective in combating out forest fires. For example, Dian Sulianti (2003) in her study of forest fires at West Kalimantan) argues that existing policies forest fire management are less successfully marked by the increasing number of forest and land burned in 2002. Additionally,

Elizabeth Frankenberg, Douglas McKee and Duncan Thomas (2005) examine aerosol levels to assess the impact of the smoke of forest fires in Indonesia, especially in Kalimantan and Sumatra. The results of their research reveal that forest fires produce smoke that can be harmful to health for all levels of society. The forest fires in Indonesia not only cause problems for health related illness, but it also impacts economic, social, ecological and political issues. A similar impact study of forest fires done by Narayan Sastry (2002) examines the consequences of the impact of air pollution originating from Indonesian forest fires on health in Malaysia and finds that haze produced by Indonesian forest fires affects physical health of the people as well turns tourists away from the country.

## **INDONESIA GOVERNMENT ROLES IN ELIMINATING FORESTS FIRES**

In Indonesia, there have been various policies established to address the problem of forest fires. Law No. 32 of 2009 on the Protection and Environmental Management with tough sanctions in the form of imprisonment for a maximum of ten (10) years or a fine of 500 million rupiah for the parties who deliberately perform acts that pollute and damage the environment as well as some of the strict sanctions more.

In maintaining and protecting the environment in order to remain sustainable, the central government issues regulations governing the environment. Protection and management of the environment by virtue of Law No. 32 of 2009 the intention is systematic and integrated efforts are being made to preserve the environment and prevent pollution and damage to the environment activities include planning, maintenance, supervision, and law enforcement.

In the protection and management of the environment, the district government assigned and authorized to set policy on environmental protection and management of the district as well as the enforcement of environmental laws district level. Managing forest fires contained in article 69 states that "every person prohibited from clearing land by burning." Fires are repeated every year can be reduced when each individual is aware of the ban on land clearing by burning.

On the other hand, the problem occurs when government policies are not clear and inconsistent. In the case of forest fires, law contains multiple interpretations on some articles, as disclosed by the Chamber of Commerce and Industry of Indonesia (Kadin) of Environment Climate Change and Sustainable Development (LHPIP) and Direktur Executive Association of Indonesian Palm Oil Association (GAPKI) in two sources different is the [sindonews.com](http://sindonews.com) and [beritasatu.com](http://beritasatu.com) (accessed on Sunday, November 1, 2015) that lies in the multiple interpretations of article 69 in which the article is paragraph (1) reads: "every person prohibited from clearing land by burning" while in paragraph (2) reads: "the provisions referred to paragraph 1 allow local wisdom in their respective areas". Multiple interpretations referred by the two sources above are located in the elucidation of Article 69 paragraph (2) which reads: "Local wisdom is referred to in this provision is the burning of land with total area of up to 2 hectares per household to plant different varieties of local and surrounded by firebreaks as a deterrent to invasion of fire to the surrounding area ". These inconsistencies as indicated by both sources could be used by unscrupulous businessmen and farmers to burn the forest on the pretext of law.

Such concerns became reality when the head of the chief regional issue regulations related areas of forest fires as a way of clearing the land. Central Kalimantan Governor Regulation No. 15 Year 2010 on the Amendment of Central Kalimantan Governor Regulation No. 52 Year 2008 on Guidelines Clearing and courtyard for communities in Central Kalimantan. Minister of the Environment, as accessed through [cnnindonesia.com](http://cnnindonesia.com) (accessed on Sunday, November 1, 2015) said that the legislation legalizing burning for land clearing in Article 1 (1) sets each person doing land clearing and yard by burning should get permission of the competent authority that the regent or mayor. While in paragraph (3), the authority allows broad range between 2-5 hectares. The incident is also found in other areas using the same argument of the provisions of the laws and regulations that legalize clearing land by burning forests.

The problem arises because there is a mismatch between the levels of implementation of policies. Bromley (1989) says that there are three (3) levels of the policy making process, namely the policy level, organizational level and operational level. At the policy level becomes the embodiment of the aspirations and needs of the community and then the executive will translate into regulations. At organizational level, policies are made by the executive branch in accordance with the mission that has been specified in the policy level. At the operational level, the operational units are ready to implement organizational level. In the case of forest fires, the problem starts at the operational level.



## **PRIVATE INTEREST VERSUS GOVERNMENT ROLES**

Various policies and programs that have been issued by the government related to the control of forest fires, but when implemented it is far from what is expected. Purwanto and Sulistyastuti (2012) state that a variety of ideal conditions contained in the policy document, for example, his form of Law, government regulation, regulation ministerial level and program control forest fires such as those mentioned above was when faced with the reality of the field become stagnant or in other words it is difficult to be realized. When the rules with tough sanctions imposed but still there are violations committed by parties who are not responsible, it can be said that the implementation of a policy is not easy. This certainly is indirectly confirmed that the rules are not functioning as deterrent to the parties who violate the rules in the use and utilization of natural resources. The above statement is an indication and a challenge for the government to find out the problems in the conduct of government policy. Big oil plantation companies are often blamed to be the main cause of forest fire. Research team of CIFOR (Center for International Forestry Research) Bogor, which was published in the leading journal *Nature* (2015) against the fire of 2013 that afflicts some 3 million hectares of land in Riau, showed that 52% of fires (84 717 ha) is in the palm and acacia concession (Industrial Plantation Forest / HTI).

CIFOR study (2015) of 3 million hectares of land in Riau showed 51% of oil palm plantations or plantations (1.6 million ha), of which 1.0 million hectares occupied by companies large and small growers / small-medium-scale agriculturalists (SMA) 0.5 million, and the soil is 51 thousand ha. It should be understood that the term concession is a general term that covers an area that permission was granted, such as IUP (Plantation Business License) or Utilization License Timber Forest Products in Industrial Plantation Forest (HTI IUPHHK- often called HTI). The concession is not the direct control of the area, but permission to try to free the land from the public or from the ground state. If people do not want to release their land, it is usual in a license area will be found enclave community. In the map license, this enclave is often not visible, but when it became HGU (Right Only to Use the Land) where the company's rights to land really studied, the enclave will be visible. Often this becomes a problem, because the government is more likely to use maps based license (not HGU), and therefore decisions can be misleading, because the company does not really mastered the entire land area of their license. People often work on their area (an enclave within an enterprise license) with a lucrative commodity, good oil, horticultural and farming more, with the practice of slash and burn that is allowed in the Constitution, including Article 69 (2) of the Law of the Environment to allow maximum 2 ha. There was also a variety of local rules that allow the controlled burning to clear

land, with permission from the village to below 5 ha and sub-district over 5 ha. Such efforts should be initiated with the identification of actors who play a role and have responsibility in forest fires. Ministry of Environment and Forests have just merged into one through Presidential Regulation No. 16 of 2015 of the Ministry of Environment and Forests become technical ministries in charge of organizing the affairs of government in the field of environment and forestry. It is Ministry of Environment and Forests in the formulation and determination of policy in the field of organizing the consolidation of forests and sustainable environmental, natural resource conservation and management of ecosystems including forest fire control in Indonesia.

One of the directorates at the Ministry of Forestry that specifically address the issue of forest fires is Director General of Conservation and Natural Resources and Ecosystems (DGCNRE). DGCNRE has the duty to organize the formulation and implementation of policies in the field of conservation management of natural resources and ecosystems. Based on these basic tasks, it appears that DGCNRE has a strategic role in supporting the implementation of forest fire control and answerable to the Minister. One piece of evidence showing the importance of DGCNRE Ministry of Environment and Forests is the control of forest fires and the expected DGCNRE the initiator and the frontline protection and preservation of the national forest. If the forest fire keep occurs yearly in Indonesia, it is a matter of the role and function of DGCNRE the decision-making process to form policy to control forest fires.

Not only at the central level, at the regional level have a very important role in the handling of forest fires. With the enactment of the new local government legislation, the province has the additional powers by the forestry authority as one among several submitted to the provincial authority. Even after the enactment of the forest fire regulation in 2014, there are still a lot of the forest fires.

## **CONCLUSION**

Forest fires have occurred regularly in Indonesia forest, yet the government has some difficulties in solving the problems. Private sector that collaborates with government agencies locally or nationally has worsen the forest fires. Slash and burned to reduce cost of new plantation is one of the major caused the forest fires. Regulations of Central and Local government are mismatch as shown in Central Kalimantan Regulation to have local wisdom burning the land for farming purposed. Indonesian government needs to solve the forest fires by avoiding conflict of interest of the the private sector. Actions should

be taken immediately for organizations and individuals using illegal ways in forest fires. Then, tight regulations from central and local government should be implemented with the help and assistance from the police and attorney general office. Unfortunately, perpetrators of forest fires who have political connections tend to avoid punishment and criminal lawsuit. Having all level of society involved is necessary to save the forest as well as the actors of forest fire to be responsible in their acts. Impact on the forest fires should be widely broadcasted not only on health issue guidance but also to condemn all the activities of forest fires. Mitigation is necessary to build trust among government, private company and society. They should work together to prevent further damage of forest fires for national development.

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